

CITY OF BRIGHTON
CITY COUNCIL MEETING
CITY HALL
November 15, 2012

Regular Blue Sky: 7:00 pm: Review of Agenda Items for this evening's meeting

REGULAR SESSION - 7:30 P.M.

1. Call to order
2. Pledge of Allegiance
3. Roll Call
4. Consider approval of the Agenda
5. Mayoral Proclamation presentation for the December 15th Designation of the Norma Gray Gallery at the Brighton District Library
6. City Manager's Employee recognition presentation
7. Approval of [minutes: Regular Meeting](#) and closed session of [November 1, 2012](#)
8. Mayor's Reading of Citizen Inquiries received since the last City Council Meeting
9. Call to the Public

Consent Agenda

10. Consider approval of a **resolution** to start the process for a [Bond Refunding/Refinancing sale \(past CIP Bonds and Building Authority Bond Issue\)](#)

Policy Development & Customer Communications' action item

11. Receive [status report regarding the City Council-directed follow-up inspection of the vacant building located at 8580 West Grand River and then consider authorization of actions](#) recommended (if needed) by the City Attorney and City Manager
12. Receive status update on the Veterans Memorial Improvement project and timetable
13. Receive staff report regarding a follow-up on-site slope inspection by the City Engineer related to the Northridge Hills Site Plan Agreement compliance review
14. Consider approval of the draft City Council Goals & related goal-setting retreat minutes of November 10th & 11th
15. Report to the public regarding the recent annual City Council performance evaluation of the City Manager conducted on 11/11/12

Other Business

16. Information for City Customers
17. Receive updates from Council Member Liaisons to other Boards and Commissions
18. Conduct closed session to receive a written Attorney-Client privilege communication
19. Call to the Public
20. Adjournment

MINUTES OF THE MEETING OF THE CITY COUNCIL OF BRIGHTON
HELD ON NOVEMBER 1, 2012 AT THE BRIGHTON CITY HALL
200 N. 1ST STREET, BRIGHTON, MICHIGAN

BLUE SKY SESSION

The Council conducted a Blue Sky Session at 7:00 p.m. Present were Mayor Muzzin, Mayor Pro-Tem Cooper Councilmembers Bohn, Pipoly, Bandkau, Schillinger and Roblee. The Council reviewed the agenda items.

REGULAR SESSION

Mayor Muzzin called the regular meeting to order at 7:30 p.m. Following the Pledge of Allegiance, the roll was called, there being present were Mayor Muzzin, Mayor Pro-Tem Cooper, Councilmembers Pipoly, Bandkau, Schillinger, Roblee and Bohn. Also in attendance were Attorney Paul Burns, Engineer Gary Markstrom, Building Official Jim Rowell and Staff members Dana Foster, Kelly Hanna, Matt Schindewolf, Amy Cyphert, Diana Lowe and Tom Wightman and an audience of 6. Press and Media included Nicole Krawcke from the Patch, Tom Tolen from WHMI.

It was moved by Councilmember Bandkau, seconded by Pipoly to excuse Councilmembers Roblee and Cooper from the evening's meeting. Motion passed 5-0-2.

AGENDA APPROVAL

It was moved by Councilmember Bohn, seconded by Pipoly to approve the Agenda as amended. Delete item #6, Recognition Presentation. Change item #18 to Pending Litigation Closed Session. Motion passed 5-0-2.

EAGLE SCOUT PROCLAMATION

Mayor Muzzin presented an Eagle Scout Proclamation to James Tarahomi.

James Tarahomi's stated his Eagle Scout project was to install two benches in front and four benches in back of the Bridge Alternative High School at the BECC Building in Brighton.

MINUTES APPROVAL

It was moved by Councilmember Bandkau, seconded by Bohn to approve the Regular Meeting minutes of October 18, 2012 as presented. Motion passed 4-0-2-1, with Councilmember Schillinger abstaining.

It was moved by Councilmember Bandkau, seconded by Bohn to approve the Closed Session Meeting minutes of October 18, 2012 as presented. Motion passed 4-0-2-1, with Councilmember Schillinger abstaining.

CITIZEN INQUIRIES

None.

CALL TO THE PUBLIC

Mayor Muzzin opened the Call to the Public at 7:38 p.m. Hearing no comment, the Call to the Public was closed.

CONSENT AGENDA

It was moved by Councilmember Bohn, seconded by Schillinger to approve the Consent Agenda as presented. Motion passed 5-0-2.

The following item was approved on the Consent Agenda:

1. There are two Brighton Arts and Culture Commission vacancies.
2. Approved First Reading of a proposed Ordinance to amend Chapter 98, Article I, Section 98-3, Definitions and schedule Second Reading and Public Hearing for December 6, 2012.
3. Received the Quarterly Investment Report.

8580 WEST GRAND RIVER

City Manager, Dana Foster updated the City Council on the code and ordinance enforcement at the vacant building at 8580 West Grand River, stating inspections have been done on site, the building has been secured and the owner has brought the building into compliance.

It was moved by Councilmember Bohn, seconded by Pipoly to direct the Building Official, Police Department and Fire Department to do AN additional inspection to review all of the code violations that were previously listed on the vacant property at 8580 West Grand River by the next Council meeting to be held on November 15, 2012. Motion passed 5-0-2.

NORTHRIDGE HILLS SITE PLAN AGREEMENT

City Manager, Dana Foster updated the Council on the Northridge Hills Site Plan Agreement compliance.

City Engineer, Gary Markstrom stated that the developer was in compliance with the slope stability issues set forth in the agreement.

Councilmember Bohn expressed his concerns regarding curb and gutter damage, slope stability and deck posts.

Building Official, Jim Rowell reported on his on-site inspections and findings.

Steve Davis, Northridge Hills Developer, discussed the Northridge Hills II Timeline, the slope and the deck posts.

City Manager, Dana Foster stated that he would submit to Council the City Engineer findings of a second inspection of the slope.

UPDATED 6-YEAR FINANCIAL FORECASTS PRESENTATION

Finance Director, Kelly Hanna presented the updated 6-Year Financial Forecast. She displayed a Powerpoint presentation, highlighting the General Fund Forecast Staff Assumptions of expenditures, revenues and health insurance rates, General Fund Forecast Summary Spreadsheet, General Fund Forecast Unreserved Fund Balance, DDA Financial Forecast Updates, Expenditures and Summary.

City Manager, Dana Foster discussed the above Powerpoint presentation slides.

CITY CUSTOMER INFORMATION

Department of Public Services Director, Matt Schindewolf reminded residents that the unlimited leaf pick up would continue through November.

Planning and Zoning Director, Amy Cyphert stated the North Street, West Street and Main Street project is near completion.

City Manager, Dana Foster

Councilmember Bandkau there would be a Veteran's Committee update and the next meeting and thanked Dennis Nauss for this time on the committee.

Councilmember Pipoly stated the DDA has been working on the Financial Forecast.

Mayor Muzzin expressed condolences to Kate Lawrence for the passing of her mother.

PENDING LITIGATION CLOSED SESSION

It was moved by Councilmember Bohn, seconded by Bandkau to go into Closed Session to discuss pending litigation, pursuant to MCL 15.268(e). A roll call vote was taken. Yes: Bohn, Muzzin, Bandkau, Pipoly, Schillinger. No: none. Absent: Cooper, Roblee. Motion passed 5-0-2.

The Council convened into Closed Session at 9:47 p.m.

The Council reconvened at the Regular Session at 10:16 p.m.

CALL TO THE PUBLIC

Mayor Muzzin gave a Call to the Public at 10:07 p.m. Hearing none, the Call to the Public was closed.

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ADJOURNMENT

It was moved by Councilmember Bohn, seconded by Pipoly to adjourn the meeting at 10:07 p.m. Motion passed 5-0-2.

Diana Lowe, City Clerk

Jim Muzzin, Mayor

POLICY REPORT -

CONSIDER ADOPTING A RESOLUTION TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$5,700,000 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012

November 15, 2012

Prepared by:

Reviewed by:

Kelly Hanna
Finance Director

Dana William Foster
City Manager

ISSUE/RECOMMENDATION:

Consider adopting a Resolution to provide for the issuance and sale of Not to Exceed \$5,700,000 of Limited Tax General Obligation Refunding Bonds, Series 2012.

BACKGROUND:

The City currently has \$5,700,000 of outstanding General Obligation (Series 2002 through 2006 Capital Improvement Bonds) and a Building Authority Bond Issue, Series 1996 that are within a window to be called and refunded at a lower interest rate. Per the advice and recommendation of the City's Bond Counsel and Financial Advisor, the City is in a position to Refund and Refinance the six Bond Issue's at a cost savings to the City. The extent of the cost savings at this time is unknown, because the refunding and refinancing of the Bonds is done through a negotiated sale. This process is the most efficient and expeditious, and will result in the lowest interest cost to the City.

The City Council needs to adopt the attached Resolution, in order to allow our Financial Advisor and Bond Counsel to negotiate a refunding and refinancing of the six Bond Issue's. The terms of the negotiation are subject to final approval by the City Manager or Finance Director, only if the sale results in a cost savings to the City.

RELATIONSHIP TO GOALS:

Directly related to City Council's financial goal to reduce expenditures.

BUDGET IMPACT:

The Annual Interest Debt Service on the Refunded Bonds would be less than the current annual debt service schedule starting FY2012/13 through FY 2026/27. The lower debt service required would directly impact the General Fund (93%) and Utilities Fund (7%). The amount is unknown until such time as final negotiation of the refinanced bonds.

ACTION/MOTION TO CONSIDER:

Adopt the attached Resolution to provide for the issuance and sale of Not to Exceed \$5,700,000 of Limited Tax General Obligation Refunding Bonds, Series 2012.

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

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October 30, 2012

Via email and U.S. Mail

Ms. Kelly Hanna
Finance Director
City of Brighton
200 N. First Street
Brighton, MI 48116-1593

Re: Not to exceed \$5,700,000 City of Brighton, Michigan
Limited Tax General Obligation Refunding Bonds, Series 2012

Dear Kelly:

As we discussed, I have enclosed a Resolution authorizing the issuance of the above-captioned Bonds to be considered for approval by the City Council at its meeting on November 15th. Due to the interest rate environment, the City has the opportunity to refinance some of its existing limited tax general obligation at lower interest rates to achieve debt service savings. The City's outstanding capital improvement bonds issued in 2002, 2003, 2004, 2005 and 2006 for various capital improvement projects, together with the City of Brighton Building Authority Bonds issued in 1996 for the DPS garage facility(together, the "Prior Bonds") may be combined together into a single financing to achieve savings for the City.

The resolution was prepared based upon the bond specifications provided by Bendzinski & Co., the City's Financial Advisor and Fifth Third Securities, Inc., the Underwriter. The Resolution authorizes the issuance of the Bonds in an aggregate amount not to exceed \$5,700,000 to pay the costs of refunding all or part of the Prior Bonds. The Bonds are payable from various sources, including the City's general fund, and will be secured by the City's limited tax full faith and credit pledge for payment of the Bonds.

The Resolution sets forth the terms of the Bonds and provides for a negotiated sale of the Bonds to Fifth Third Securities. The Resolution authorizes the City Manager or Finance Director to determine whether to proceed with the refunding of the Prior Bonds and to negotiate and execute a Bond Purchase Agreement for the sale of the Bonds. The

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Ms. Kelly Hanna

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October 30, 2012

Resolution also authorizes the City Manager and/or Finance Director to take any other steps necessary related to the issuance, sale and delivery of the Bonds. There are some blanks in the Resolution in the form of the Bond that do not need to be completed at or prior to adoption, but will instead be completed in the final Bond form once the final terms been determined and whether the bonds are being issued for refunding the Prior Bonds. This Resolution is the only action item required by the City Council relating to the Bonds.

The City Manager and Finance Director are authorized to proceed with the sale of the Bonds only if the City achieves net present value savings through the refunding.

At this point it is not certain if this bond issue will be issued in 2012 or 2013 and whether all of the Prior Bonds will be included in that refinancing. As we get closer to a possible sale date, we will work with the City's financial advisor and the Underwriter to advise on the structure of the refunding and the timing of the sale of the Bonds.

Upon adoption by the City Council, I would appreciate receiving four (4) certified copies of the Resolution and after publication, four (4) Affidavits of Publication.

I will be at the City Council meeting on November 15th to discuss the proposed Resolution and answer questions relating to the refinancing. If you have any questions, please feel free to give me a call.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: 

Patrick F. McGow

Enclosure

cc: (w/ Enclosure)
Dana Foster, City Manager
Lou Orcutt, Fifth Third Securities
Robert J. Bendzinski
Ryan A. Bendzinski
Paul Burns, Esq.
Steven D. Mann, Esq.

**RESOLUTION AUTHORIZING ISSUANCE OF
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012**

CITY OF BRIGHTON
County of Livingston, State of Michigan

Minutes of a regular meeting of the City Council of the City of Brighton, County of Livingston, Michigan, held in the City, on the 15th day of November, 2012 at 7:30 o'clock p.m., Eastern Standard Time.

PRESENT: Members: _____

ABSENT: Members: _____

The following preamble and resolution were offered by Member _____ and supported by Member _____.

WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), authorizes the City of Brighton, County of Livingston, State of Michigan (the "City") to refund or advance refund all or any part of its outstanding securities; and

WHEREAS, the City, pursuant to Act 34 has previously issued its 2002 General Obligation Bonds (Limited Tax General Obligation), dated May 1, 2002 (the "2002 Bonds"), 2003 General Obligation Limited Tax Bond, dated July 1, 2003 (the "2003 Bonds"), Limited Tax General Obligation Bonds, Series 2004, dated November 1, 2004 (the "2004 Bonds"), Limited Tax General Obligation Bonds, Series 2005, dated June 1, 2005 (the "2005 Bonds"), and Limited Tax General Obligation Bonds, Series 2006, dated March 1, 2006 (the "2006 Bonds") (together with the 2002 Bonds, the 2003 Bonds, the 2004 Bonds, and the 2005 Bonds, the "Prior Capital Improvement Bonds"); and

WHEREAS, the City of Brighton Building Authority (the "Authority") has previously issued its City of Brighton Building Authority General Obligation Limited Tax Bonds, Series 1996, dated August 1, 1996 (the "Prior Building Authority Bonds"), and the City and the Authority have entered into a certain Limited Tax Full Faith and Credit General Obligation Contract of Lease dated May 1, 1996 (the "1996 Contract") by which the City has agreed to pay cash rentals to the Authority in amounts sufficient to pay the debt service on the Prior Building Authority Bonds when due, and has pledged the City's limited tax full faith and credit; and

WHEREAS, the Prior Capital Improvement Bonds, the Prior Building Authority Bonds, and the 1996 Contract (together, the "Prior Bonds") are "outstanding securities" of the Issuer within the meaning of Act 34; and

WHEREAS, in order to achieve interest rate savings on the City's Prior Bonds, the City determines that it is in the best interest of the City and its taxpayers to refund all or a portion of the Prior Bonds; and

WHEREAS, the City desires to issue refunding bonds pursuant to Act 34, in an aggregate principal amount of not to exceed Five Million Seven Hundred Thousand Dollars (\$5,700,000) for the purpose of paying the cost of refunding all or part of the Prior Bonds in order to achieve interest rate savings for the benefit of the City and its taxpayers; and

WHEREAS, the City has received a proposal from Fifth Third Securities, Inc. (the "Underwriter") to purchase the Bonds pursuant to a negotiated sale.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Details. Bonds of the City shall be issued in the aggregate principal amount of not to exceed Five Million Seven Hundred Thousand Dollars (\$5,700,000), as finally determined upon sale thereof, to be designated LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012 (the "Bonds"), for the purpose of paying the cost of refunding all or a portion of the Prior Bonds and issuance costs of the Bonds. The issue shall consist of bonds registered as to principal and interest of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration. The Bonds will be dated as of the date of delivery, or such other date as determined by the City Manager or Finance Director (each, an "Authorized Officer"), be payable on October 1 (or such other date as determined at the time of sale thereof) in the years 2013 to 2026, inclusive, in the annual amounts determined at the time of sale, and be subject to prior redemption as determined at the time of sale of the Bonds. The Bonds shall be sold at a price not less than 97% of their par value. The Underwriter's Discount shall not exceed 1.00% of the par amount of the Bonds.

The Bonds shall bear interest at a rate or rates to be determined at the time of sale thereof, but in any event not to exceed 6.00% per annum, payable on April 1, 2013 (or such other date as determined at the time of sale thereof), and semi-annually thereafter, by check or draft mailed by the Transfer Agent (as hereinafter defined) to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future

The Bonds shall be sold through a negotiated sale and shall be awarded, subject to the parameters of this resolution, upon entry of an order by either Authorized Officer.

2. Execution of Bonds; Book-Entry Only Form. The Bonds shall be signed by the facsimile signatures of the Mayor and the City Clerk and shall have the facsimile seal of the City printed on the Bonds. No Bond shall be valid until authenticated by an authorized representative of the Transfer Agent. The principal of the Bonds shall be payable at the designated corporate trust office of a bank or trust company to be selected by an Authorized Officer as registrar and transfer agent for the Bonds (the "Transfer Agent").

The Bonds may be issued in book entry only form through the Depository Trust Company in New York, New York ("DTC") and the Authorized Officers are authorized to execute such custodial or other agreements with DTC as may be necessary to accomplish the issuance of the Bonds in book entry only form and to make such change in the Bond Form within the parameters of this Resolution as may be required to accomplish the foregoing.

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption

shall be given by the Transfer Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the redemption date; the redemption price or premium; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

4. Security for Bonds; Limited Tax Pledge of City; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of the principal and interest on the Bonds. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary levy taxes upon all taxable property in the City subject to applicable constitutional and statutory tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year. The City Treasurer is authorized and directed to open a separate fund with a bank or trust company designated by the City Council to be known as the LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature. Into said fund there shall be placed the accrued interest, if any, received at the time of delivery of the Bonds.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay the principal of and interest on the Bonds when due, shall be deposited in trust, this Resolution shall be defeased and the owners of the Bonds shall have no further rights under this Resolution except to receive payment of the principal of and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Issuance Fund; Escrow Account; Proceeds of Bond Sale. The City Treasurer is authorized and directed to open a separate depository account with a bank or trust company or establish a separate account on the books of the City, to be designated LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS ISSUANCE FUND (the "Issuance Fund") and deposit into the

Issuance Fund a portion of the proceeds of the Bonds sufficient to pay the costs of issuance of the Bonds. The moneys in the Issuance Fund shall be used solely to pay the costs of issuance of the Bonds. Any amounts remaining in the Issuance Fund after payment of issuance expenses shall be transferred to the Debt Retirement Fund for the Bonds.

The balance of the proceeds of the Bonds, together with other available funds of the City, if any, shall be deposited in an escrow fund (the "Escrow Fund") consisting of cash and investments in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of or interest on which are fully secured by the foregoing not redeemable at the option of the City in amounts fully sufficient to pay the principal of and interest on the Prior Bonds as set forth in the Sale Order. The Escrow Fund shall be held by a bank or trust company to be selected by an Authorized Officer, as the escrow agent (the "Escrow Agent") pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the Escrow Agent to take all necessary steps to call for redemption the Prior Bonds, including publication and mailing of redemption notices, on any call date, as specified by the City. The investments held in the Escrow Fund shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal of, interest and redemption premium, if any, on the Prior Bonds as they become due pursuant to maturity or the call for redemption required by this paragraph. Following establishment of the Escrow Fund, any amounts remaining in the debt retirement funds for the Prior Bonds shall be transferred to the Debt Retirement Fund for the Bonds. Each of the Authorized Officers is hereby authorized to select and appoint a bank or trust company qualified to serve as Escrow Agent and to negotiate the terms of and execute and deliver an Escrow Agreement on behalf of the City. Each Authorized Officer is authorized and directed to purchase or cause to be purchased, Escrow Securities, including United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to fund the Escrow Fund.

6. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF LIVINGSTON

CITY OF BRIGHTON

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, SERIES 20__

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	October 1, 20__	_____, 20__	

Registered Owner:

Principal Amount: _____ Dollars

The City of Brighton, County of Livingston, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360 day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, at the Interest Rate per annum specified above, payable on April 1, 2013 and semiannually thereafter. Principal of this bond is payable upon presentation and surrender of this bond at the designated corporate trust office of _____, _____, Michigan, or such other transfer agent as the City may hereafter designate (the "Transfer Agent") by notice mailed to the registered owner not less than sixty (60) days prior to an interest payment date. Interest on this bond is payable to the person or entity which is the registered owner of record as of the 15th day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent, by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the Issuer are hereby irrevocably pledged.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the Issuer, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

This bond is one of a series of bonds aggregating the principal sum of \$_____, issued pursuant to Act 34, Public Acts of Michigan, 2001, as amended, and a resolution duly adopted by the City Council of the City for the purpose of paying all or part of the cost of refunding certain prior bond issues of the City.

Bonds maturing in the years 20__ to 20__, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 20__ and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after October 1, 20__, at par and accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.L.C.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing. Upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing and upon the payment of the charges, if any, prescribed in the resolution authorizing this bond, a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond. Neither the City nor the Transfer Agent shall be required to transfer or exchange this bond or portion of this bond either during the period of fifteen (15) days immediately preceding the date of the mailing of any notice of redemption or (except as to the unredeemed portion, if any, of this bond) after this bond or any portion of this bond has been selected for redemption.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond and the series of bonds of which this is one, does not exceed any constitutional or statutory debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, by its City Council, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF BRIGHTON
County of Livingston
State of Michigan

By: _____
Its Mayor

(SEAL)

By: _____
Its City Clerk

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

Date of Registration:

Certificate of Authentication

This bond is one of the bonds described in the within-mentioned resolution.

_____, Michigan

Transfer Agent

By: _____

Authorized Signature

7. Negotiated Sale. The City Council has considered the option of selling the Bonds through a competitive sale and a negotiated sale, and, pursuant to the requirements of Act 34 determines that a negotiated sale of the Bonds will allow more flexibility in accessing the municipal bond market, and to price and sell the Bonds at the time that is expected to best achieve the most advantageous interest rates and costs to the City, and will provide the City with greater flexibility in structuring bond maturities and adjust terms for the Bonds.

8. Bond Purchase Agreement; Delegation to Authorized Officers; Sale Order. The Authorized Officers are each individually authorized to negotiate with and award the sale of the Bonds to the Underwriter pursuant to a Bond Purchase Agreement, and if necessary, execute a Sale Order specifying the final terms of the Bonds and take all other necessary actions required to effectuate the sale, issuance and delivery of the Bonds within the parameters authorized in this resolution.

9. Adjustment of Bond Terms. The Authorized Officers are each hereby authorized to adjust the final bond details as set forth herein to the extent necessary or convenient to complete the sale of the Bonds and in pursuance of the forgoing is each authorized to exercise the authority and make the determinations authorized pursuant to Sections 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, date of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, the portion or portions of the Prior Bonds to be refunded, and other matters within the parameters established by this resolution, *provided* that the principal amount of Bonds issued shall not exceed the principal amount authorized in this resolution, the interest rate per annum on the Bonds shall not exceed six percent (6.00%), the underwriter's discount shall not exceed 1.00% of the par amount of the Bonds, and the refunding of the Prior Bonds shall result in a net present value savings to the City.

10. Tax Covenant. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on each issue of the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds.

11. Determination of Qualified Tax Exempt Obligations. The Authorized Officers are each hereby authorized to designate the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

12. Continuing Disclosure Undertaking. The City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the Authorized Officers are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

13. Authorization of Other Actions. The Authorized Officers are each authorized and directed to (a) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC; (b) approve the circulation of a final official statement describing the Bonds and to execute the same on behalf of the City; (c) solicit bids for and approve the purchase of a municipal bond insurance policy for the Bonds;

and (d) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Bonds.

14. Bond Counsel. Miller, Canfield, Paddock and Stone, P.L.C. is hereby appointed to serve as bond counsel for the Bonds, notwithstanding the periodic representation in unrelated matters of parties or potential parties to the transaction contemplated by this resolution, including Fifth Third Securities, Inc.

15. Financial Advisor. The City hereby appoints Bendzinski & Co. Municipal Finance Advisors to act as Registered Municipal Advisor with respect to the Bonds.

16. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Brighton, County of Livingston, State of Michigan, at a regular meeting held on November 15, 2012, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

City Clerk

20,589,793.1\011035-00065

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.



LAW OFFICE OF PAUL E. BURNS

Attorneys at Law
133 West Grand River
Brighton, Michigan 48116
(810) 227-5000 FAX (810) 220-5895

Paul E. Burns
Bradford L. Maynes
Heather K. Kitson

October 10, 2012

**VIA PERSONAL SERVICE, CERTIFIED MAIL AND
FIRST CLASS MAIL**

Mr. Joe Norton, Registered Agent
Brighton Office Development LLC
7701 Grand River #2
Brighton, Michigan 48114

Re: 8580 West Grand River Avenue, Brighton, Michigan

Dear Mr. Norton,

Please be aware that our previous letter of October 9, 2012, attached hereto, inadvertently referred to the previous meeting date of October 4, 2012. This matter is actually placed on the agenda for the October 18, 2012 Brighton City Council meeting which you are invited to attend.

Very truly yours,

Bradford L. Maynes

cc: Brighton City Council
Mr. Dana W. Foster
Mr. Jim Rowell
Ms. Amy Cyphert
Chief Michael O'Brian



LAW OFFICE OF PAUL E. BURNS

Attorneys at Law

133 West Grand River

Brighton, Michigan 48116

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Paul E. Burns
Bradford L. Maynes
Heather K. Kitson

October 9, 2012

VIA PERSONAL SERVICE, CERTIFIED MAIL AND FIRST CLASS MAIL

Mr. Joe Norton, Registered Agent
Brighton Office Development LLC
7701 Grand River #2
Brighton, Michigan 48114

Re: 8580 West Grand River Avenue, Brighton, Michigan

Dear Mr. Norton,

As you are aware from our previous correspondence, our office represents the City of Brighton. Our office has been informed that you have spoken with Fire Chief O'Brian regarding the above property and previous letters to you on the subject, copies of which are attached hereto.

It is our understanding that Chief O'Brian informed you that the Brighton City Council would table this matter for two weeks from their September 27, 2012 meeting. This time was provided to enable you to assemble a written proposal as to the work to be done on the above-referenced property to satisfy the concerns of the City and Fire Authority. It is our understanding at this point that neither the City nor the Fire Authority has received any written proposal from you of any sort.

Please be informed that this matter is on the agenda for the Brighton City Council for their meeting of October 4, 2012 for authorization of appropriate legal action in the event that the deadlines in the attached letters are not complied with, and you are hereby invited to attend that meeting.

Very truly yours,

Bradford L. Maynes

cc: Brighton City Council
Mr. Dana W. Foster
Mr. Jim Rowell
Ms. Amy Cyphert
Chief Michael O'Brian



LAW OFFICE OF PAUL E. BURNS

Attorneys at Law
133 West Grand River
Brighton, Michigan 48116
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Paul E. Burns
Bradford L. Maynes
Heather K. Kitson

September 25, 2012

VIA CERTIFIED MAIL / FIRST CLASS MAIL

Mr. Joe Norton, Registered Agent
Brighton Office Development LLC
7701 Grand River #2
Brighton, Michigan 48114

Re: 8580 West Grand River Avenue, Brighton, Michigan

Dear Mr. Norton,

Please be informed that our office represents the City of Brighton. Our office has been informed that the above property, owned by Brighton Office Development LLC, is in violation of the City Codes of Ordinances, as set forth in the letter of Mr. Jim Rowell, attached. It is further our understanding from the Brighton Area Fire Authority that the above property is in violation of the International Fire Code, as set forth in the letter of Chief Michael O'Brian, attached.

Please contact our office immediately to discuss how these violations will be remedied. This matter will be added to the agenda for the Brighton City Council for their meeting of October 4, 2012 for authorization of appropriate legal action in the event that the deadlines in the attached letters are not complied with, and you are hereby invited to attend that meeting.

Very truly yours,

Bradford L. Maynes

cc: Brighton City Council
Mr. Dana W. Foster
Mr. Jim Rowell
Ms. Amy Cyphert
Chief Michael O'Brian



Brighton Area Fire Department

615 W. Grand River

Brighton, Michigan 48116

810-229-6640 Fax: 810-229-1619

September 19, 2012

Mr. Joe Norton, Registered Agent
Brighton Office Development LLC
7701 Grand River #2
Brighton, Michigan 48114

RE: 8580 W. Grand River Ave.

The Fire Authority has observed some deterioration from the above listed premises. The two story building with a basement level appears to have multiple deficiencies on the exterior of the building. Inspection staff has been unable to complete a periodic inspection of the property. The property has been without a tenant for multiple years and is showing signs of distress from the exterior including possible transient use. The exterior of the property has multiple openings and appears to be unsecured at times.

The Brighton Area Fire Authority has observed the following conditions at the above listed address. The conditions are based on the 2012 International Fire Code as adopted.

1. The building shall be secured. On the West side of the building the overhang is open to the public and it appears unauthorized persons could enter the building (IFC 311.2.1).
2. Provide updated emergency contact information.
3. Provide details on maintenance of the automatic sprinkler and fire alarm systems (IFC 901.6).
4. It appears the building may have rubbish inside that shall be removed. Persons owning, or in charge or control of, a vacant building or portion thereof, shall remove all accumulations of combustible materials, flammable or combustible waste or rubbish and shall securely lock or otherwise secure doors, windows and other openings to prevent entry by unauthorized persons (IFC 311.3).
5. Provide details on the status of the automatic sprinkler system and fire alarm system. The systems shall be operational unless approved by the Fire Authority. See IFC 311.2.2 for conditions. (IFC 311.2.2)

The following items shall be completed within (10) business days. In addition, the owner shall schedule a periodic inspection with Authority staff by contacting us at 810-229-6640.

Sincerely,

A handwritten signature in black ink, appearing to read "M. O'Brian".

Michael O'Brian CFO, MIFireE
Fire Chief

cc: Paul Burns – City Attorney
Neal Nielsen – BAFA Attorney



LIVINGSTON COUNTY, MICHIGAN
DEPARTMENT OF BUILDING INSPECTION

2300 E. Grand River, Suite 104
Phone: 517.548.3130 Fax: 517.546.7461
Web Site: co.livingston.mi.us/building

September 14, 2012

Mr. Joe Norton, Registered Agent
Brighton Office Development LLC
7701 Grand River #2
Brighton, Michigan 48114

RE: PROPERTY MAINTENANCE CODE VIOLATIONS - 8580 W. Grand River

Parcel ID 18-30-100-061

Dear Mr. Norton,

Please be informed that Livingston County performs building code enforcement services for the City of Brighton. Our Staff was asked to inspect the property noted above as a result of numerous police incidents. Our inspection of the property located at 8580 West Grand River, Brighton, Michigan (the "Property") disclosed numerous violations of the City of Brighton Code of Ordinances (COBCO) and the City of Brighton Property Maintenance Code (PMC).

1. The interior of the property is not secure against passersby and is an attractive nuisance, in violation of PMC 301.3.

PMC 301.3 Vacant Structures and land

"All vacant structures and premises thereof shall be maintained in a clean, safe and secure and sanitary condition as provided herein so as not to cause a blighting problem or adversely affect the public health or safety."

2. There is junk stored on the premises and, more specifically on the west and north areas of the site, in violation of the following code sections:

COBCO Sec. 42-102. Storage of Junk Prohibited.

"No person shall store or accumulate or cause to be stored or accumulated junk, trash, or refuse of any kind."

COBCO Sec. 42-101. Definitions

"Junk means parts of machinery or motor vehicles, unused stoves or other appliances stored in the open, remnants of wood, metal or any other material or other cast-off material of any kind whether or not the same could be put to any reasonable use."

PMC Section 302.1 Sanitation

"All exterior property and premises must be maintained in a clean, safe and sanitary condition. The occupants shall keep that part of the exterior property which said occupant occupies or controls in a clean and sanitary condition."

PMC 308.1 Accumulation of rubbish or garbage.

"All exterior property and premises and the interior of every structure shall be free of accumulation of rubbish or garbage."

3. There is graffiti on the building walls, in violation of the following code sections:

PMC 302.9 Defacement of Property

"No person shall willingly or wantonly damage, mutilate or deface any exterior surface of any structure or building by placing thereon any marking, carving or graffiti. It shall be the responsibility of the building owner to restore said surface."

PMC 304.6 Exterior Walls.

"All exterior walls shall be free of holes, breaks, and loose or rotting materials and maintained weatherproof and properly surface coated where required to prevent deterioration."

4. There are broken windows in the building, in violation of the following code sections:

PMC 304.13.1 Glazing

"All glazing materials shall be free of cracks and holes."

5. The interior of the structure is dilapidated and in poor shape. There are broken windows and trash throughout. The toilets appear to be overflowing with feces. These are in violation of the following code sections:

PMC 504.1

"all plumbing fixtures shall be properly installed and maintained in working order, and shall be kept free from obstructions, leaks and defects and be capable of performing the function for which such plumbing fixtures are designed."

PMC 305.3

"All interior surfaces, including windows and doors shall be maintained in good, clean and sanitary condition. Peeling chipping or abraded paint shall be repaired removed or covered. Cracked or loose plaster, decayed wood and other defective surfaces shall be corrected."

PMC 308.1 Accumulation of rubbish or garbage.

"All exterior property and premises and the interior of every structure shall be free of accumulation of rubbish or garbage."

6. There is evidence of rodent infestation, which infestation is in violation of the following code section:

PMC 309.1 Infestations

"All structures shall be kept free from insect and rodent infestation. All structures in which insects or rodents are found shall be promptly exterminated by approved processes that will not be injurious to human health. After pest elimination proper precautions shall be taken to prevent re-infestation."

Please correct these violations within 30 days. Failure to correct these issues may result in prosecution of the violation in accordance with PMC Section 106.3, Prosecution of Violation.

PMC 106.3 Prosecution of violation.

Any person failing to comply with a notice of violation or order served in accordance with Section 107 shall be deemed guilty of a misdemeanor, and the violation shall be deemed a strict liability offense. If the notice of violation is not complied with, the code official shall institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the structure in violation of the

provisions of this code or of the order or direction made pursuant thereto. Any action taken by the authority having jurisdiction on such premises shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

Any person affected by this decision has a right to appeal this notice in writing within 20 days after the date of issuance of the notice. The appeal shall be based on the claim that the true intent of this code or the rules legally adopted thereunder has been incorrectly interpreted, the provisions of this code do not apply, or the requirements of this code are adequately satisfied by other means.

**Sincerely,
Jim Rowell
Livingston County Building Official**